

AMENDED IN SENATE AUGUST 30, 2005

AMENDED IN SENATE AUGUST 15, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

AMENDED IN ASSEMBLY APRIL 20, 2005

AMENDED IN ASSEMBLY APRIL 4, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 624**

**Introduced by Assembly Member Montanez  
(Coauthor: Assembly Member Cohn)**

February 17, 2005

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An act to add ~~Sections 12693.415 and 12693.701~~ *Section 12693.414* to the Insurance Code, and to add Sections ~~14005.42, 14011.85, 14011.85~~ and 14011.86 to the Welfare and Institutions Code, relating to child health, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 624, as amended, Montanez. Medi-Cal program: Healthy Families Program: Child Health and Disability Prevention (CHDP) program.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health services to an eligible person.

~~Existing law requires the department and the board to implement a program for preenrollment of children into the Medi-Cal program and the Healthy Families Program.~~

Existing law establishes the Child Health and Disability Prevention (CHDP) program, administered by the department, to provide early and periodic assessments of the health status of children.

~~This bill would require the department and the board to deem to have met the income documentation requirements for participation in the Healthy Families Program and the Medi-Cal program any child who meets the income eligibility requirements for participation in the CHDP program and who is preenrolled in the CHDP gateway program.~~

Under existing law, benefits under the Medi-Cal program provided to an individual pursuant to a preliminary determination end, without the necessity for any further review or determination by the department, on or before the last day of the month following the month in which the preliminary determination was made, unless an application for medical assistance is filed on or before that date. If an application for medical assistance is filed before this deadline, preliminary benefits continue until the regular eligibility determination based on the application has been completed.

Existing law requires the department to develop an electronic application to serve as the application for preenrollment into the Medi-Cal program or the Healthy Families Program and to also serve as an application for the CHDP program.

This bill would require, by July 1, ~~2006~~ 2007, the department to modify the electronic preenrollment application process to include a process to be used, at the option and with the written consent of the person applying on the child's behalf, to simultaneously preenroll and apply for enrollment into the Healthy Families Program or Medi-Cal program, which shall include an application to provide for continuing preliminary benefits until a final eligibility determination is made.

This bill would provide that its provisions shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

This bill would appropriate ~~\$2,000,000~~ \$515,000 from the General Fund to the board and the department *to be used for administrative startup costs* to implement these provisions ~~as a statewide pilot project for children under the age of 2 years.~~

~~Under existing law, certain dental services are covered Medi-Cal benefits.~~

~~This bill would declare that the Legislature has appropriated money in the Budget Act of 2001 and each subsequent Budget Act thereafter, for the provision under the Medi-Cal program of nonemergency benefits for the prevention and treatment of dental and periodontal disease for beneficiaries during pregnancy to prevent premature deliveries and low-birth weights. The bill would require the department to immediately implement the provision of these services by informing Denti-Cal and other Medi-Cal providers through provider bulletins that these benefits are included for pregnant beneficiaries. The bill would require the department to adopt regulations to implement the provision of these services on or before January 1, 2008, and would provide that implementation of this provision shall not be delayed pending the adoption of these regulations.~~

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section ~~12693.415~~*12693.414* is added to the  
2 Insurance Code, to read:  
3 ~~12693.415.~~  
4 *12693.414.* (a) The board shall consult and coordinate with  
5 the State Department of Health Services in implementing,  
6 pursuant to Section 14011.85 of the Welfare and Institutions  
7 Code, a process to be used at the option and with the written  
8 consent of the person applying on a child's behalf to  
9 simultaneously preenroll and apply for enrollment into the  
10 Healthy Families Program or Medi-Cal program, which shall  
11 include the application described in subdivision (b) of Section  
12 14011.85 of the Welfare and Institutions Code and shall provide  
13 continuing preliminary benefits within the meaning of  
14 subdivision (b) of Section 14011.8 of the Welfare and  
15 Institutions Code until a final eligibility determination is made.  
16 The board shall accept the electronic application described in  
17 subdivision (b) of Section 14011.85 of the Welfare and  
18 Institutions Code as an application for the Healthy Families  
19 Program. Continuing preliminary benefits under this section shall

1 be administered by the State Department of Health Services to  
2 provide full-scope benefits pursuant to Medi-Cal requirements, at  
3 no cost to the applicant.

4 (b) (1) The board, in consultation with the State Department  
5 of Health Services, may adopt emergency regulations to  
6 implement, pursuant to Section 14011.85 of the Welfare and  
7 Institutions Code, a process to be used at the option and with the  
8 written consent of the person applying on a child's behalf, to  
9 simultaneously preenroll and apply for enrollment into the  
10 Healthy Families Program or Medi-Cal program.

11 (2) The initial adoption of emergency regulations and one  
12 readoption of the initial regulations shall be deemed to be an  
13 emergency and necessary for the immediate preservation of the  
14 public peace, health and safety, and general welfare. Initial  
15 emergency regulations and the first readoption of those  
16 regulations shall be exempt from review by the Office of  
17 Administrative Law. The initial emergency regulations and one  
18 readoption of those regulations authorized by this section shall be  
19 submitted to the Office of Administrative Law for filing with the  
20 Secretary of State and publication in the California Code of  
21 Regulations and each shall remain in effect for no more than 180  
22 days.

23 (c) This section shall be implemented only if and to the extent  
24 that an appropriation is made for that purpose in the annual  
25 Budget Act or another statute.

26 ~~SEC. 2. Section 12693.701 is added to the Insurance Code, to~~  
27 ~~read:~~

28 ~~12693.701. (a) Notwithstanding any other law, the board~~  
29 ~~shall deem to have met the income documentation requirements~~  
30 ~~for participation in the Healthy Families Program any child who~~  
31 ~~meets the income eligibility requirements for participation in the~~  
32 ~~Child Health and Disability Prevention (CHDP) program~~  
33 ~~pursuant to Article 6 (commencing with Section 124025) of~~  
34 ~~Chapter 3 of Part 2 of Division 106 of the Health and Safety~~  
35 ~~Code and who is preenrolled in the CHDP gateway program~~  
36 ~~pursuant to Section 12693.41.~~

37 ~~(b) The board shall seek approval of any amendments to the~~  
38 ~~state plan necessary to implement this section, for purposes of~~  
39 ~~funding under Title XXI of the federal Social Security Act (42~~  
40 ~~U.S.C. Sec. 1397aa et seq.). Notwithstanding any other law, this~~

~~section shall be implemented only to the extent that federal financial participation is available.~~

~~(c) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.~~

~~SEC. 3. Section 14005.42 is added to the Welfare and Institutions Code, to read:~~

~~14005.42. (a) Notwithstanding any other law, the department shall deem to have met the income documentation requirements for participation in the Medi-Cal program, without share of cost, any child who meets the income eligibility requirements for participation in the Child Health and Disability Prevention (CHDP) program pursuant to Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code and who is preenrolled in the CHDP gateway program pursuant to Section 12693.41 of the Insurance Code.~~

~~(b) The department shall seek approval of any amendments to the state plan necessary to implement this section, for purposes of funding under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.). Notwithstanding any other law, this section shall be implemented only to the extent that federal financial participation is available.~~

~~(c) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.~~

~~SEC. 4.~~

~~SEC. 2. Section 14011.85 is added to the Welfare and Institutions Code, to read:~~

~~14011.85. (a) (1) To the extent allowed under federal law and only if federal financial participation is available, the department shall exercise the option provided in Section 1396r-1a of Title 42 of the United States Code and the Managed Risk Medical Insurance Board shall exercise the option provided in Section 1397gg(e)(1)(D) of Title 42 of the United States Code to implement a program to provide a process to be used at the option and with the written consent of an applicant, to simultaneously preenroll and apply for enrollment into the Medi-Cal program or Healthy Families Program, which shall include the application described in subdivision (b) and shall~~

1 provide for continuing preliminary benefits within the meaning  
2 of subdivision (b) of Section 14011.8 until a final eligibility  
3 determination is made.

4 (2) Upon the exercise of both of the federal options described  
5 in this subdivision, the department shall implement and  
6 administer a program of continuing preliminary benefits pursuant  
7 to this section.

8 (b) (1) Before July 1, ~~2006~~, 2007, the electronic application  
9 developed pursuant to subdivision (b) of Section 14011.7 shall be  
10 modified, to the extent permitted by federal law, to serve, at the  
11 applicant's option and with the applicant's written consent, as an  
12 application for simultaneous application for both preenrollment  
13 and enrollment into the Medi-Cal program or Healthy Families  
14 Program and provide for continuing preliminary benefits within  
15 the meaning of subdivision (b) of Section 14011.8 until a final  
16 eligibility determination is made.

17 (2) The department shall consult with representatives of  
18 consumers, counties, and medical providers in developing, as  
19 required by this subdivision, the preenrollment and enrollment  
20 application process and, if any are necessary, followup  
21 procedures.

22 (c) CHDP program providers designated by the department for  
23 purposes of paragraph (1) of subdivision (c) of Section 14011.8  
24 may determine eligibility for continuing preliminary benefits  
25 within the meaning of subdivision (b) of Section 14011.8, as  
26 authorized under this section, and shall be subject to the  
27 requirements of paragraph (2) of subdivision (c), and subdivision  
28 (d), of Section 14011.8 with respect to completing and filing an  
29 electronic application developed under this section.

30 (d) The electronic application developed for purposes of this  
31 section shall comply with all of the following requirements:

32 (1) Be the simplest permitted by federal law to achieve the  
33 purposes of this section.

34 (2) Be adequate to constitute an application for medical  
35 assistance.

36 (3) Request only the information that is necessary to provide  
37 the child with continuing preliminary benefits within the  
38 meaning of subdivision (b) of Section 14011.8 until a final  
39 eligibility determination is made pursuant to the federal options  
40 described in Section 1396r-1a or 1397gg(e)(1)(D) of Title 42 of

1 the United States Code and to the extent federal financial  
2 participation is available.

3 (e) The followup procedures for the application developed  
4 pursuant to subdivision (b), if any are necessary, shall be the  
5 simplest permitted by federal law to qualify for federal financial  
6 participation. Any child whose parent or guardian fails to provide  
7 all necessary documentation for purposes of this subdivision  
8 shall be denied eligibility.

9 (f) (1) If the electronic application developed pursuant to this  
10 section indicates that the child is seeking eligibility for either no  
11 cost full-scope Medi-Cal benefits or enrollment in the Healthy  
12 Families Program, the applicant shall be given the option to  
13 simultaneously submit, along with the preenrollment application,  
14 the electronic application developed pursuant to subdivision (d).

15 (2) The date of application for the Medi-Cal program or the  
16 Healthy Families Program is the date the optional electronic  
17 enrollment application provided for in subdivision (b) is  
18 submitted or the date another application for the Medi-Cal  
19 program or Healthy Families Program is submitted with the  
20 appropriate entity by the parent or guardian, whichever is earlier.

21 (3) In addition to any notification required pursuant to  
22 paragraph (3) of subdivision (e) of Section 14011.7 with respect  
23 to the electronic application process, upon making a  
24 determination that a child is eligible pursuant to paragraph (1),  
25 the CHDP provider shall inform the child's parent or guardian of  
26 both of the following:

27 (A) That the child has been determined eligible for both  
28 preenrollment and continuing preliminary benefits until a final  
29 eligibility determination as to the child's eligibility for the  
30 Medi-Cal program or Healthy Families Program is made.

31 (B) That if the child has been determined to be eligible for  
32 preenrollment into either the Medi-Cal program or Healthy  
33 Families Program, but does not simultaneously submit the  
34 electronic enrollment application, the period of preenrollment  
35 eligibility will end on the last day of the month following the  
36 month in which the determination of preenrollment eligibility is  
37 made, unless the parent or guardian completes and returns to the  
38 appropriate entity an application for the Medi-Cal program or  
39 Healthy Families Program on or before that date.

(4) If the electronic application for enrollment described in subdivision (b) or another application for the Medi-Cal program or Healthy Families Program is submitted on or before the last day of the month following the month in which a determination is made that the child is eligible for preenrollment into either the Medi-Cal program or the Healthy Families Program, the period of preenrollment eligibility shall continue as preliminary benefits within the meaning of subdivision (b) of Section 14011.8, until the completion of the determination process for the applicable program or programs.

(g) The scope and delivery of benefits provided to a child who is preenrolled for the Medi-Cal program, or whose preliminary benefits are continued pursuant to this section, shall be identical to the scope and delivery of benefits received by a child who is enrolled in the Medi-Cal program pursuant to this chapter.

(h) The department and the Managed Risk Medical Insurance Board shall seek approval of any amendments to the state plan, necessary to implement this section, for purposes of funding under Title XIX (42 U.S.C. Sec. 1396 et seq.) and Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the Social Security Act. Notwithstanding any other provision of law and only when all necessary federal approvals have been obtained, this section shall be implemented only to the extent federal financial participation is available.

(i) Upon the implementation of this section, this section shall control in the event of a conflict with any provision of Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code governing the Child Health and Disability Prevention program.

(j) To implement this section, the department may contract with public or private entities, or utilize existing health care service provider enrollment and payment mechanisms, including the Medi-Cal program's fiscal intermediary, only if services provided under the program are specifically identified and reimbursed in a manner that appropriately claims federal financial reimbursement. Contracts, including the Medi-Cal fiscal intermediary contract for the Child Health and Disability Prevention program, including any contract amendment, any system change pursuant to a change order, and any project or systems development notice shall be exempt from Part 2



(commencing with Section 10100) of Division 2 of the Public Contract Code, Chapter 7 (commencing with Section 11700) of Part 1 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and any policies, procedures, or regulations authorized by these laws.

(k) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of all-county letters or similar instructions, without taking any further regulatory action. Thereafter, the department shall adopt regulations, as necessary, to implement this section in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(l) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

~~SEC. 5.~~

*SEC. 3.* Section 14011.86 is added to the Welfare and Institutions Code, to read:

14011.86. (a) The application described in subdivision (b) of Section 14011.85 shall be treated as an application for medical assistance under the state plan for purposes of Section 14011.8.

(b) This section shall be implemented only if and to the extent that an appropriation is made for that purpose in the annual Budget Act or another statute.

~~SEC. 6. (a) In the Budget Act of 2001 and each subsequent Budget Act thereafter, the Legislature has appropriated money for the provision under the Medi-Cal program of nonemergency benefits for the prevention and treatment of dental and periodontal disease for beneficiaries during pregnancy to prevent premature deliveries and low-birth weights.~~

~~(b) These preventive and treatment dental services for pregnant women result in net savings to the Medi-Cal program by avoiding the far more costly medical and other interventions needed to treat and care for premature and low-birth weight disabled newborns immediately at birth and throughout life.~~

~~(c) It is the intent of the Legislature to reaffirm its commitment to the provision of the benefits described in~~

1 subdivision (a) for which money has consistently been  
2 appropriated.

3 (d) Therefore, the State Department of Health Services shall  
4 immediately implement the provision of services described in  
5 subdivision (a) by clearly informing Denti-Cal and other  
6 Medi-Cal providers through a provider bulletin or bulletins that  
7 the services described in subdivision (a) are included Medi-Cal  
8 benefits for pregnant beneficiaries.

9 (e) (1) On or before January 1, 2008, the department shall  
10 adopt regulations in accordance with the rulemaking  
11 requirements of Chapter 3.5 (commencing with Section 11340)  
12 of Part 1 of Division 3 of Title 2 of the Government Code to  
13 implement the provision of services described in subdivision (a).

14 (2) Notwithstanding the rulemaking requirements of Chapter  
15 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
16 Title 2 of the Government Code, the implementation required  
17 under this subdivision shall not be delayed pending the adoption  
18 of administrative regulations.

19 SEC. 7. The sum of two million dollars (\$2,000,000) is  
20 hereby appropriated from the General Fund to the Managed Risk  
21 Medical Insurance Board and the State Department of Health  
22 Services for expenditure to implement Section 12693.415 of the  
23 Insurance Code and Section 14011.85 of the Welfare and  
24 Institutions Code as a statewide pilot project for children under  
25 the age of two years.

26 SEC. 4. The sum of five hundred fifteen thousand dollars  
27 (\$515,000) is hereby appropriated from the General Fund to the  
28 Managed Risk Medical Insurance Board and the State  
29 Department of Health Services to be used for administrative  
30 startup costs to implement Section 12693.414 of the Insurance  
31 Code and Sections 14011.85 and 14011.86 of the Welfare and  
32 Institutions Code.